GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:599
ANSWERED ON:06.05.2010
AIR CARGO MARKET
Sudhakaran Shri K.

Will the Minister of CIVIL AVIATION be pleased to state:

(a) the estimated growth of cargo business by 2011-12;

(b) the percentage contribution of cargo to the total revenue of National Aviation Company of India Limited (NACIL);

(c) whether different private airlines are in the process to start their dedicated cargo services to capture the growing cargo market;

(d) if so, the steps taken by NACIL to augment its revenue share in the cargo business;

(e) whether NACIL proposes to create some strategic business units including separate cargo unit for its low cost operation; and

(f) if so, the details thereof?

Answer

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL)

(a),(b),(c),(d),(e)&(f): A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO PARTS (a),(b),(c),(d),(e)&(f) OF THE LOK SABHA STARRED () QUESTION NO.599 FOR 6TH MAY, 2010 REGARDING AIR CARGO MARKET.

(a) The estimated growth of Cargo business is 11.8% by 2011-12.

(b) Approximately 5% in the year 2008-09.

(c) Yes, Madam.

(d) NACIL have taken the various steps to augment its revenue share in the cargo business like reconfiguration of the aircraft, priority booking for high yeild cargo dedicated freighter service offers of differential rates, promotional pricing etc.

(e)&(f) Yes, Madam. At the time of merger of erstwhile Indian Airlines and Air India. a strategic Business Unit (SBU) concept was proposed/suggested for the entire NACIL, with the view to bring in greater accountability in the functioning of the Company. Each SBU Head to be empowered under the broad ambit of the delegation of financial and administrative powers. One of the areas considered for SBU was cargo and its implementation is in process. This would facilitate focussed attention on core business actiities for increased revenue generation.